



LARRY HOGAN
GOVERNOR

STATE OF MARYLAND
OFFICE OF THE GOVERNOR

April 8, 2022

The Honorable Bill Ferguson
President of the Senate
H-107 State House
Annapolis, Maryland 21401

The Honorable Adrienne A. Jones
Speaker of the House
H-101 State House
Annapolis, Maryland 21401

Dear President Ferguson and Speaker Jones:

In accordance with Article II, Section 17 of the Maryland Constitution, I have vetoed House Bill 778 and Senate Bill 514 – *Transportation - Investment Program - MARC Rail Service (Maryland Regional Rail Transformation Act*.

My administration continues to prioritize statewide transit access, recognizing the state of good repair needs of the MDOT Maryland Transit Administration (MTA). MDOT is continuing to develop a robust transit system, as evidenced by the Capital Needs Inventory and recently released Central Maryland Regional Transit Plan. MDOT MTA is in the process of developing a first time Statewide Transit Plan while also updating the State Rail Plan. The MDOT MTA has also worked continuously over the last few years to develop the Brunswick Line Master Plan and the MARC Cornerstone Plan and engage with host railroads on advancing priority projects and services, which are aligned with the goals of House Bill 778 and Senate Bill 514.

The 2022-2027 Consolidated Transportation Program (CTP) has outlined \$4.6 billion in funding for the MDOT MTA, and, despite the residual COVID-19 impacts, more dollars have been put towards transit in future years than in any previous CTP. The CTP process, which was established by the Legislature, includes extensive consultation with Maryland's citizens, local jurisdictions, and the local and State delegations. As the MDOT budgets on a six-year timeframe, all available funds are currently dedicated through FY 2027. In order to meet the demands of House Bill 778 and Senate Bill 514, especially in Fiscal Year 2023, MDOT would be required to shift funds from priority projects. Approximately \$14 million in funding to meet the demands of this legislation would need to be shifted from the MDOT MTA's system preservation efforts or suspend planned projects.

MARC services are critical and provide a majority of riders the ability to commute to work in both Baltimore and Washington, D.C. However, it is important that we view transit from a perspective that each of MDOT MTA's modes provide services and that none is more valuable than the other. The MDOT MTA is currently investing funds to improve core Baltimore services, so as to address system preservation needs and begin the work to expand both East/West and North/South services. By depleting

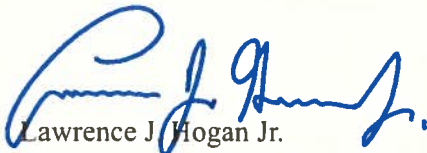
funds for these efforts, Senate Bill 514 and House Bill 778 will prevent equitable efforts currently in place to enhance service, improve facilities, and facilitate on-time arrivals.

Furthermore, House Bill 778 and Senate Bill 514 sets a dangerous precedent by requiring the MDOT MTA to produce investment plans and complete design on several MARC projects on an expedited schedule without completing the proper steps to secure the approval of the host railroads or other stakeholders. Requiring the MDOT MTA to complete design on any of the aforementioned projects would be premature as the MDOT MTA is still engaging the host railroads and other stakeholders and has no guarantee they will agree to the terms mandated by the legislation. Without buy-in from stakeholders and the railroads, any design or service and operation plan would be completely unusable. The estimated cost to the TTF is \$13.9 million which would be spent on studies and designs that, in all likelihood, will never be usable.

While I am supportive of the intent of this legislation to improve transit, as demonstrated by my record-level investment in transit to date, it must be done in a fiscally responsible manner and in one that does not limit the MDOT's ability to adapt to evolving conditions. It has never been clearer that funding mandates lead to bureaucratic paralysis and jeopardizes the ability of an agency to effectively protect and serve the public. The MDOT needs to focus on maintaining the integrity of the State's transit system, roads, bridges, port, airports, and motor vehicles services. Due to these reasons, implementation of House Bill 778 and Senate Bill 514 are not feasible at this time.

For these reasons, I have vetoed House Bill 778 and Senate Bill 514.

Sincerely,



Lawrence J. Hogan Jr.
Governor